

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1997 – SB 2014

March 6, 2018

SUMMARY OF ORIGINAL BILL: Requires the State Board of Education (SBE) to require all applicants for teacher licensure to undergo a background check including fingerprinting by the Tennessee Bureau of Investigation (TBI) or the Federal Bureau of Investigation (FBI) at the applicant's expense.

Requires local boards of education and childcare programs to require teachers and other school personnel to undergo a background check every five years. Requires any person applying for educator childcare, or other positions with close proximity to children, including retired teachers, to undergo a background check upon application, but only if the person has not been subjected to an investigation within five years of the application.

Requires local education agencies (LEAs) to pay costs incurred for the background check. Authorizes LEAs to participate in the FBI's "Rap Back" program in lieu of requiring a background check every five years.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$244,900/TBI

Increase State Expenditures – \$143,000

Increase Local Expenditures -- Exceeds \$339,700*

SUMMARY OF AMENDMENT (014276): Deletes and replaces all language after the enacting clause. Requires a background check for employees and applicants of local education agencies, which work, or will work, in close proximity to children, prior to initial employment, and every five years after being employed. Requires LEAs to participate in the Federal Bureau of Investigation's Rap Back program; provided the state elects to join the program.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue -- Exceeds \$515,900/TBI

Increase Local Expenditures – Exceeds \$515,900*

Other Fiscal Impact – To the extent Tennessee joins the federal Rap Back program there will be additional increases in state expenditures, as well as decreases in mandatory local expenditures. The extent and timing of any such state and local impacts cannot be determined at this time because they are dependent upon future unknown factors.

Assumptions for the bill as amended in regard to background checks:

- The required background checks for new applicants proposed under this legislation is the same as the current requirement under Tenn. Code Ann. § 49-5-413.
- LEAs will be responsible for financing background checks for employees every five years; applicants will pay for their own initial background checks.
- The LEA will submit the requisite employee to a background check conducted by the Tennessee Bureau of Investigation (TBI) every five years at a cost of \$32.65 as well as each applicant outside of the five year window to the same background check.
- It is assumed that LEAs will utilize TBI background checks for existing teachers.
- Based on information from the DOE, there are at least 79,000 educators (irrespective of other LEA employees) that will require background checks on the proposed five-year cycle.
- Annual background checks would be required for at least 20 percent of the 79,000, or at least 15,800 ($79,000 \times 20\%$) on average each year, for educators beginning in FY18-19.
- The mandatory recurring increase in local expenditures is estimated to exceed \$515,870 ($15,800 \times \32.65). Correspondingly, there will be a recurring increase in state revenue to TBI estimated to exceed \$515,870 for conducting the background checks.

Assumption related to the Rap Back Program:

- To the extent Tennessee elects to join the federal Rap Back program, there will be additional one-time and recurring increases in state expenditures for setup and subscriptions into the program, as well as decreases in mandatory local expenditures as the costs for background checks will shift from the LEAs to the state as part of the state paying for subscriptions into the Rap Back program; however, due to several unknown factors, such as the timing for which Tennessee elects to join the Rap Back program, these impacts cannot be determined.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee" followed by a small, stylized monogram or initials "RNC".

Krista M. Lee, Executive Director

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